

July 7, 2022

Honorable Howard Marklein, Co-Chair
Joint Committee on Finance
316 East, State Capitol
P.O. Box 7882
Madison, WI 53707

Honorable Mark Born, Co-Chair
Joint Committee on Finance
308 East, State Capitol
P.O. Box 8953
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Honorable Robert Cowles, Co-Chair
Joint Committee on Audit
118 South, State Capitol
P.O. Box 7882
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Mr. Mike Queensland
Senate Chief Clerk
P.O. Box 7882
Madison, WI 53707

Mr. Ted Blazel
Assembly Chief Clerk
Room 401, 17 West Main Street
Madison, WI 53703

Subject: Investment Policies, Objectives and Guidelines

Members of the Legislature:

Pursuant to Section 25.17(14r) of the Wisconsin Statutes, I want to advise you that since our last report on March 22, 2022 there were some revisions to (1) the Board of Trustees Wisconsin Retirement System (WRS) Investment Policy, and (2) the SWIB Investment Committee (IC) Wisconsin Retirement System (WRS) Investment Guidelines.

At its June 15, 2022 meeting, the Board of Trustees amended the Board of Trustees WRS Investment Policy to remove the minimum size requirement for SWIB's Management Council.

At its March 29, 2022 meeting, the Investment Committee approved amendments to the SWIB IC WRS Investment Guidelines, which included:

- Clarifying the derivative guidelines with respect to exchange-traded funds (ETFs);
- Modifying the guidelines for the mortgage-backed securities (MBS) portfolio to allow short-term non-investment-grade issues subject to an overall cap;
- Adding guidelines and soft risk parameters for a new leveraged loan portfolio; and

- Updating the list of approved exchanges for derivatives trading.

These amendments were reported to the Board of Trustees at its June 15, 2022 meeting.

If you have questions on any of the changes, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Rochelle Klaskin".

Rochelle Klaskin
Deputy Executive Director/Chief Administrative Officer

cc: Jay Risch, SWIB Government Relations Liaison
Members, Joint Committee on Audit
Members, Joint Committee on Finance
Joe Chrisman, Legislative Audit Bureau
Robert Lang, Legislative Fiscal Bureau